

MINUTES OF THE XXXV MEETING OF THE EMPOWERED STEERING COMMITTEE (ESC) FOR IMPLEMENTATION OF THE MONTREAL PROTOCOL HELD ON 29TH OCTOBER, 2008 AT 11.00 A.M. IN ROOM NO. 403, MINISTRY OF ENVIRONMENT AND FORESTS, PARYAVARAN BHAWAN, CGO COMPLEX, LODHI ROAD, NEW DELHI-110003

Shri. Vijai Sharma, Secretary (E&F) and Chairman of the ESC welcomed the participants to the meeting and expressed satisfaction on the progress made in each of the sector phase-out plan, particularly the CFC production phaseout. He also emphasized that India will face challenges to comply with the accelerated phase-out of HCFC production and consumption. Thereafter, he requested the Member Secretary to introduce the agenda for consideration of the Committee. The list of participants is enclosed at ***Annex-I***.

Agenda Item No. 1 : Adoption of the Agenda.

2. The ESC adopted the following agenda on the basis of the Provisional agenda :-

- 1 : Adoption of the Agenda
- 2 : Confirmation of Minutes of XXXIV Meeting of the ESC.
- 3 : Action taken on decision of the XXXIV ESC.
- 4 : Progress of Implementation status of the Projects :
 - a) Umbrella Project in Foam Sector.
 - b) Umbrella Project in Commercial Refrigeration Sector.
 - c) National CFC Consumption Phase-out Plan (NCCoPP).
 - d) National CFC Phase-out Project.
 - e) National CTC Phase-out Plan.
- 5 : Consideration of the applications received for Duty Exemption in respect of new or expanded activities with non-ODS technology.
- 6 : Accelerated CFC production closure.
- 7 : MDI Transition Strategy Proposal.
- 8 : HCFC Phaseout Strategy
- 9 : Submission of Article 7 Data
- 10 : Any other matters with permission of the Chair.

Agenda Item No. 2 : Confirmation of Minutes of the XXXIV ESC meeting held on 5th March, 2008.

3. The Committee confirmed the Minutes of XXXIV meeting of the ESC held on 5th March, 2008.

Agenda Item No. 3 : Action taken on decision of the XXXIV ESC.

4. Dr. B. P. Nilaratna, Joint Secretary introduced the item and informed the action taken on each decision of XXXIV meeting of the ESC. The Committee noted the following :-

S. No	Decision taken in XXXIV ESC	Action taken on the decision
1.	<u>Paragraph 4 (S.No. 6) :</u> Steps taken for submitting the request for Essential Use Nomination (EUN) of CFC to be used in MDI sector for 2010 and 2011.	A meeting with all MDI manufacturers was convened by the Ozone Cell on 7 th August, 2008 to discuss the procedures for filing EUN application. A copy of the application was given to the producers to fill in the necessary information required from them. The EUN filled by the MDI manufacturers was further discussed in the South Asia Network Meeting held in Tokyo in September, 2008. The manufacturers were advised to submit the EUN to the Ozone Cell by 30 th November, 2008 for onward transmission to the Ozone Secretariat for its consideration.
2.	<u>Paragraph 4 (S.No. 7) :</u> Preparation and submission of MDI Transition Strategy proposal to the Multilateral Fund (MLF).	UNDP has prepared and submitted the project document on MDI Transition Strategy to the MLF for consideration at the 56 th Executive Committee (ExCom) to be held in November, 2008.
3.	<u>Paragraph 4 (S.No. 9) :</u> Stakeholder workshop on HCFC phaseout.	Stakeholder meeting to discuss India's HCFC Management Plan was organized on 4 th June, 2008 at India Habitat Centre, New Delhi. The meeting was attended by all implementing agencies, Refrigerant Gas Manufacturers Association, Refrigeration and Airconditioning Manufactures Association, Indian Polyurethane Association and others. As an outcome of the meeting the HCFC Road Map has been prepared.
4.	<u>Paragraph 8 :</u> Monitor the export and domestic sale of CFC from January to April, 2008.	All producers have been asked to submit monthly data on export and domestic sale of CFC to the Ozone Cell. The data has been received as of 31.7.2008.
5.	<u>Paragraph 9 :</u> (a) Monitor the movement within the CTC inventory held by	The annual CTC verification exercise was conducted in March, 2008 and the audit report was submitted and approved by the 55 th ExCom at its meeting held in July, 2008. The CTC inventory has

	both producer and feedstock users. (b) Assess the impact of CTC annual programme by agency and sector.	been monitored as part of the verification exercise and found to be within the compliance limits. The Ozone Cell has started the assessment exercise. The assessment is likely to be completed by December, 2008.
6.	<u>Paragraph14:</u> Decision of the 54 th ExCom on the proposal of CFC management and accelerated CFC production closure.	The 54 th ExCom has approved the CFC management plan proposed by India and CFC accelerated production closure plan for a compensation US \$ 3.17 million and a maximum of allowable production of 690 MT for MDI manufacture by 1 st August, 2008. In additional 135 MT of CFC can be reprocessed from existing stockpile. The Decision of the 54 th ExCom has been informed to the Chairman, ESC.

Agenda Item No. 4 : Progress of Implementation of Projects

a) Progress of Implementation Status of Umbrella Project in Foam Sector

5. The Committee noted the progress of implementation status, details of funds approved, enterprises endorsed and date of completion of the projects under foam sector.

b) Progress of Implementation Status of Umbrella Project in Commercial Refrigeration Sector

6. The Committee noted the progress of implementation status, details of funds approved, enterprises endorsed and date of completion of the projects under Commercial Refrigeration sector.

c) Implementation Status of the National CFC Consumption Phase-out Plan (NCCoPP)

7. The Committee noted the activities undertaken by GTZ, UNDP, UNEP and SDC during the period March 2008 to August 2008.

d) Implementation Status of CFC Production Phase-out Project.

8. The Committee noted the successful closure of CFC production by 1st August, 2008, resulting in a total phase-out of 22564 MT of CFCs. The Committee decided that the Ozone Cell/Project Management Unit (PMU) should closely monitor the export and domestic sale of CFCs.

e) Implementation Status of National CTC Phase-out Plan.

9. The Committee noted the progress of implementation of CTC production and consumption phase-out plan, details of funds approved and enterprises endorsed under the CTC Consumption Sector Plan.

Agenda Item No. 5 : Consideration of applications received for Duty Exemption in respect of new or expanded activities with non-ODS technology.

10. The Committee noted that based on the recommendations of the Technology and Finance Standing Committee (TFSC) and with the approval of Secretary (E&F) as Chairman of the ESC, customs duty certificates in respect of the following enterprises were issued : -

- M/s. Sanden Vikas India Ltd., Faridabad.
- M/s. B.A. International, Raipur, Roorkee (Uttarakhand)
- M/s. Zeppelin Mobile System India Ltd., Noida, U.P.
- M/s. Anu Solar Power Pvt. Ltd., Bangalore.
- M/s. Subros Ltd., Noida.
- M/s Nilkamal Ltd. Pondicherry
- M/s Nilkamal Ltd, Barjora (West Bengal)
- M/s Nilkamal Ltd., Silvasa (UT of D&NH)
- M/s Nilkamal Ltd., Phase II Samba (J&K)
- M/s Asahi India Glass Ltd., Latherdeva Hoon, Roorkee.
- M/s. Sanden Vikas India Ltd., Faridabad
- M/s Jaycee Autofab Pvt. Ltd.,

11. The details of equipment in respect of each enterprise listed above are given in **Annex-II**. Taking note of the information, the Committee decided to accord ex-post-facto approval.

Agenda Item No. 6 : Accelerated CFC production closure.

12. The Member Secretary explained that based on the decision of the 54th ExCom meeting of the MLF, India has stopped production of CFCs by 1st August, 2008, 17 months ahead of schedule. India is allowed to sell 825 MT of CFCs for the manufacture of MDI in the years 2008 and 2009 comprising of 690 MT of new production and 135 MT reprocessed from existing stock.

13. A draft agreement on Accelerated CFC Production Closure has been submitted to the MLF Secretariat for consideration at 56th ExCom to be held in November, 2008.

14. The Committee took note of the information.

Agenda Item No. 7: MDI Transition Strategy Proposal.

15. The Committee accorded Ex-post facto approval for the MDI Transition Strategy proposal submitted to the MLF Secretariat, based on the recommendation of the TFSC. The requested MLF grant is US \$ 28.7 million to assist MDI manufacturers to convert from ODS to non-ODS technology

16. The Committee also approved Government of India's proposal for seeking EUN with Meeting of the Parties for use of CFCs in MDIs beyond 2009.

Agenda Item No. 8 : HCFC Phaseout Strategy

17. The Member Secretary made a presentation on the HCFC Road Map prepared to address the phaseout strategy for HCFCs. A copy of the presentation is enclosed at **Annex III.**

18. One of the members said that in order to create a demand for HCFC substitutes, import tax on loaded compressors should be increased. Since most of the substitutes are HFC or HFC blends, Ozone Cell could consider initiating a pilot proposal for Clean Development Mechanism (CDM) projects, in consultation with various units/Association.

19. Shri J. M. Mauskar, Additional Secretary (E & F) noted that there are four important issues to be highlighted suitably while addressing the HCFC phaseout strategy:

- The economic situation in the 90s when India signed the Montreal Protocol is a lot different from the present economic situation. The impact of a changed scenario on HCFC production and consumption has to be assessed.
- Shifting to HCFC alternatives is much more expensive as substitutes are not easily available and have to be imported.
- There are major technological challenges facing us during the change over from HCFC to its alternatives.
- Public awareness on the HCFC phase-out should be created to have greater involvement of civil society.

20. The Chairman stressed that there should be greater focus on small and medium enterprises and the issue of an interface between Montreal Protocol and Kyoto Protocol must also be addressed properly.

21. The Committee approved the HCFC Phaseout Strategy, as fine turned above.

Agenda Item No. 9 : Submission of Article 7 Data

21. The Member Secretary informed the Committee that Article 7 Data for the year 2007 has been submitted to the Ozone Secretariat. The data was reviewed by the Standing Committee on Monitoring and approved by Secretary (E & F).

22. The Committee accorded Ex-post facto approval to this.

The Meeting ended with vote of thanks to the Chair.

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